



Missouri Department of Natural Resources

MINUTES

MISSOURI SOIL AND WATER DISTRICTS COMMISSION DNR CONFERENCE CENTER JEFFERSON CITY, MISSOURI MAY 19, 2004

PLANNING SESSION

COMMISSION MEMBERS PRESENT: John Aylward, Elizabeth Brown, Larry Furbeck, Leon Kreisler, Kirby VanAusdall

EX-OFFICIO MEMBERS: JERRY CONLEY, DEPT. OF CONSERVATION: Brad McCord

ADVISORY MEMBERS PRESENT: SOIL & WATER CONSERVATION PROGRAM: Sarah Fast; MASWCD: Steve Oetting

STAFF MEMBERS PRESENT: Gary Baclesse; Rose Marie Hopkins; Dean Martin, Theresa Mueller, Bill Wilson

OTHERS PRESENT: STATE OF MISSOURI: ATTORNEY GENERAL'S OFFICE: Harry Bozoian; **OTHERS:** UNIVERSITY OF MISSOURI: Steve Jeanetta

COMMISSION PLANNING SESSION WITH STEVE JEANETTA

Steve Jeanetta with the University of Missouri facilitated a second planning session with the commission to develop a strategy for how the commission will work in the future. Mr. Jeanetta distributed a summary of what was discussed at the last meeting. Mr. Jeanetta said that he would cover where the commission had indicated it wanted to go in the future at this meeting.

Mr. Jeanetta briefly reviewed his notes from the last planning session with the commission. He reminded the commission that the first meeting they had was about this time last year. A few months later, they met to cover what the commission thought was working well within the organization, what were challenges, and the commission's perspective on the vision for the organization.

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Mr. Jeanetta stated that they were going to talk about the planning project itself that he is working on with his committee and how it relates to what the commission is doing. Mr. Jeanetta indicated that at the December commission meeting, there was some confusion that what the commission was working on was part of what he covered at the training conference. Mr. Jeanetta stated that what he was asked to do with the commission was just to get them together and talk about what they saw as a vision and relate some of the current programs to what the commission saw as part of that vision. Later in the year, the commission will receive a lot of information from the area meetings. At these meetings, there will be planning sessions to get the perspective on what districts see as important to their particular part of the state, and also what they thought would be important to the whole state. When that information is received, the commission will have a good sense of what the state is thinking as a group. Knowing what the priorities are will help in sorting the information. He stated the planning project was to develop a framework for everyone working for the organization in the state to connect to some goals that the organization is trying to accomplish overall. Part of the process is outlining what the goals are, and also help people locally to connect their work to those goals.

At the area meetings there will be a session at each of the eight areas. Participants at the meetings will talk about what they see as issues or changes in that particular region/area. They will talk about what they have developed in their local plans that they think is important to the region and then at the end, they will answer the questions about what is going on in their area that is important to the whole state. Those answers will be given to the commission. At the training conference in December, there will be a session where everyone will get to sort through the priorities, so they can be forwarded to the commission to see what elements ultimately to incorporate in the state-wide plan.

Next Mr. Jeanetta asked the commissioners if they would like to add or change their list of vision statements they had worked on before. One of the vision statements that was questioned regarding the protection of Missouri's viable family farms. Mr. Jeanetta stated they could add another one or modify the statement. It was stated that there is no way to protect the farm and annexation is an example. Mr. Jeanetta stated that an appropriate vision would be that family farms are protected. This could be something that could be reviewed as far as a goal of the organization if the commission chose to. A question was asked about how to define a family farm. The concern was that this is a problem, and an example given was that it could be anything from 80 acres to 10,000-acres. It was indicated that the size of the farm did not matter as long as practices are put in place. Some other statements were considered to be too vague. The final three themes that were identified by the commission were educational aspect of the work, research and development, and stewardship.

The commission then reviewed the 19 vision statements that they previously developed to see where they fit in the three themes. Some of the statements the commission developed fit in more than one theme. Education had the most statements, followed by stewardship, and last was

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research and development. The commission was asked to look at the programs and how they relate to the statements. The commission was provided an overview of the programs that are currently offered so they could match them with the vision statements. By doing this they could get a better sense of what is being done to help move toward particular directions.

When asked if there were program issues that need more development, the water quality aspect was emphasized. There needs to be a way to measure and evaluate it to know if the money being spent is justified. If the information were available, it would be good for the tax renewal process. In regard to farmland preservation, it needs to be worked on by other groups, and as a demonstration using agriculturally based thinking. It was indicated that at the last tax renewal, urban voters were interested in the clean water issue.

Mr. Jeanetta stated the next planning committee meeting is scheduled for July 16th, from 9 am. to 12:00 pm. in the Katy Trail room.

BUSINESS MEETING

COMMISSION MEMBERS PRESENT: John Aylward, Elizabeth Brown, Larry Furbeck, Leon Kreisler, Kirby VanAusdall

EX-OFFICIO MEMBERS: DEAN THOMAS PAYNE, UNIV. OF MISSOURI: David Baker; JOHN HOSKINS, DEPT. OF CONSERVATION: Brad McCord; PETER HOFHERR, DEPT. OF AGRICULTURE: Judy Grundler; STEPHEN MAHFOOD, DEPT OF NATURAL RESOURCES: Scott Totten

ADVISORY MEMBERS PRESENT: SOIL & WATER CONSERVATION PROGRAM: Sarah Fast; NRCS: Roger Hansen; MASWCD: Steve Oetting

STAFF MEMBERS PRESENT: Niki Aberle, Davin Althoff, Gary Baclesse, Jim Boschert, April Brandt, Chris Evans, Noland Farmer, John Forsyth, Rose Marie Hopkins, Gina Luebbering, Dean Martin, Theresa Mueller, Marcy Oerly, James Plassmeyer, Sara Popp, Josh Poynor, Jeremy Redden, Ron Redden, Judy Stinson, Ken Struempfh, Chris Wieberg, Bill Wilson

OTHERS PRESENT: DISTRICTS: BARTON: Ben Reed; BATES: Brad Powell; BENTON: Jamie Henderson, Tina Hovendick; BOONE: Cindy Bowne; CAPE

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GIRARDEAU: Gerald Bryan; COOPER: Linda Young; DUNKLIN: Mike Milam; HOWARD: Bryan Monckton; MILLER: Dan Greeson, Bonnie Pryor; MONITEAU: Carl Allee, Jim Frank, Darrell Hoellering, Doug Strein; MONTGOMERY: Ruth Schneider; POLK: Vicky Feith, Richard McConnell; STE. GENEVIEVE: Susan Denninger; WARREN: Polly Sachs; **STATE OF MISSOURI: ATTORNEY GENERAL'S OFFICE:** Harry Bozoian; **OTHERS:** MASWCD: Kathryn Braden; USDA-NRCS: Dwaine Gelnar

A. CALL TO ORDER

Chairman Elizabeth Brown called the meeting to order at the DNR Conference Center in Jefferson City, Missouri, in the Bennett Springs/Roaring River room at 9:40 am.

B. MINUTES OF THE LAST MEETING

Larry Furbeck made a motion to approve the minutes of the March 23, 2004 commission meeting as mailed. Kirby VanAusdall seconded the motion. When asked by the chair, John Aylward, Elizabeth Brown, Larry Furbeck, Leon Kreisler, and Kirby VanAusdall voted in favor of the motion and the motion carried unanimously.

Elisabeth Brown introduced the new commissioner, Leon Kreisler, from Dent County. Ms. Brown also introduced Brad McCord from the Department of Conservation, who will be taking Bob Miller's place on the commission.

C. PLANNING

1. New Contract for Soil and Water Conservation District Audits

James Boschert updated the commission on the new contract for the soil and water conservation district audits. Mr. Boschert stated the program staff had been working with the division, and personnel from Internal Audit in developing specifications for the next round of contract audits.

The Office of Administration was sent the request for proposal to review and place it out for bids. The specifications included auditing 114 soil and water conservation districts over a three-year period. Since the state was divided into district coordinator areas, the bid will be per coordinator region. The audit will be an agreed upon procedures audit instead of a financial report audit. These procedures include a list of risk areas with questions the auditors will ask when auditing the districts. The list of questions were based on the previous round of audits.

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Jim Boschert reviewed with the Commission a list of most commonly found district audit findings including such items as payment of bonuses; gifts were made to the public; machinery logs were not kept; failure to maintain adequate payroll and employee records; incomplete board meeting minutes; no segregation of duties; pre-signing of checks; no dual signatures; prenumbered receipts not given; failure to retain financial records; inadequate cost-share maintenance follow up policy; and cost-share application and claim approval not listed in minutes.

With the Request for Proposal document having been sent to the Office of Administration, program staff hoped that it would be placed out for bids in the near future with the auditing process of the districts beginning soon after the first of the fiscal year

2. District Grant Computer Accounting System

Jim Plassmeyer updated the commission on the district accounting program. The accounting program tracks the district assistance funds, district employees benefits funds, SALT administrative funds, and local funds while generating quarterly and fiscal year reports.

Prior to fiscal year 1994, hand written ledgers were used. From fiscal year 1994 through fiscal year 2000 a system call Data Pointe Software (DPS) was used. In fiscal year 2001, the system was changed because of issues with DPS. The software lacked password protection and had no audit trail. Since this system was DOS-based it had problems functioning in Windows-based systems. Real World Accounting designed the software the districts have been using since fiscal year 2001. This system met the standards set by the Governmental Accounting Standards Board (GASB), which included the criteria that the audits had cited as issues.

Mr. Plassmeyer explained there were several reasons a new program is needed. One is that most computer programs have a life span of five to seven years and the fifth year will be July 1. Since the purchase of this software, it has been purchased by another company and is no longer produced, which means there is no longer a maintenance agreement on the program. The program works with Windows XP, but it is not sure if it will work with the next version of Windows. It was also noted that GASB standards have changed. Without a maintenance package, updates to the system have not been made.

Mr. Plassmeyer was unable to offer cost projections for the new software system. With the current program, 122 packages were purchased at a cost of \$1,992 each.

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Of the 122 packages, 114 were for the districts and the rest were for program staff.

D. APPEALS

1. Cost-share

a. Platte SWCD (Soil and Water Conservation District) – Exception on the DSP-3 Four Consecutive Year Policy

Marcy Oerly presented an appeal from the Platte SWCD asking the commission for an exemption to the DSP-3 (Planned Grazing System) policy concerning the four-year participation limitation.

Commission policy states that the \$9,000 DSP-3 maximum can be obtained through multiple applications over a consecutive four-period. Multiple applications can be for the same farm and fields or for different farms and fields. The consecutive four-year period begins from the day the board approves the initial claim, meaning that the last application must be approved within that four-year period.

Ms. Oerly briefly reviewed the reasoning behind the policy. Before 1996, DSP-3s were administered as a pilot practice in a limited number of districts. This was to develop practice policies and allow cost-share on land not eroding above tolerable soil loss limits. In 1996, the commission promulgated a rule change exempting DSP-3s from the excess erosion requirement. Since DSP-3 is exempt from the erosion requirement, it was developed as a demonstration practice with limits to meet the demonstration criteria.

A DSP-3 claim from Mr. Terry Breyfogle was received on April 9, 2004 for a heavy use area. Commission policy states that the soil and water conservation districts can cost-share up to \$375 per farm and/or landowner for a heavy use area protection component. This cost-share component should be used when it is necessary to stabilize frequently and intensively used areas that require special treatment to provide protection from erosion, livestock traffic, or other deterioration.

During the review of the claim, it was noted that Mr. Breyfogle had previously participated in the DSP-3 practice. Since Mr. Breyfogle's previous DSP-3 claim was approved in March 1999,

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which was five years ago, it was outside the four-year participation policy. The district manager did not mention that the initial claim was approved in 1999; if she had, program staff would have informed her that Mr. Breyfogle was ineligible for further DSP-3 cost-share assistance.

In a letter dated April 15, 2004, the Platte SWCD Board of Supervisors explained that program office staff had explained to the district clerk that only previous DSP-3 applicants could sign up for heavy use protection as a single component of the practice. The district clerk interpreted a previous applicant as any person who had formerly participated in the DSP-3 practice, even though it exceeded the four-year participation policy.

Ms. Oerly stated that in January 2003, the commission denied three requests for variances to the DSP-3 participation policy.

Roger Hansen stated that Mr. Breyfogle is the District Conservationist for Platte County, but the decision made by the commission should not be based on who he works for, but based on how any other landowner would be treated. Larry Furbeck stated this was his home district and he had talked to Mr. Breyfogle. He explained that the facts are as were presented and there was a miscommunication between the district and program office. Mr. Furbeck said that even though this was the case, the landowner went ahead and did the practice. When asked how much time had lapsed between the four-years and when he started again, Ms. Oerly stated it had been a year. When asked about the time of the maintenance requirement for a DSP-3, Ms. Oerly stated that for a regular DSP-3 it is five years. If there is a pond or well component with the DSP-3 then the maintenance is ten years. In response to a question, Ms. Fast stated that the four years is how long a person is eligible to do the practice. Once the practice is done, then there is five years of maintenance. Because it was a demonstration practice, the commission put time limits on when a person starts the practice and they can only have the practice for four years. Elizabeth Brown stated that because the others were turned down, it would be opening up an avenue for claims for additions to completed practices. John Aylward stated that for the other three, they were turned down before they had put in the additions, where this person had done the practice in good faith.

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John Aylward made a motion to approve the board's request. Leon Kreisler seconded the motion.

Kirby VanAusdall stated that they had gone on record three times of denying similar situations.

Larry Furbeck abstained due to the fact this was his county.

A poll vote was taken. John Aylward and Leon Kreisler voted in favor of the motion and Kirby VanAusdall and Elizabeth Brown voted against the motion. Failing to receive a majority of favorable votes, the motion failed keeping current policy in effect.

E. REVIEW/EVALUATION

1. District Assistance Section

a. Approval of Fiscal Year 2005 Information/Education Grants.

Jim Plassmeyer presented a review of the information/education program that began in fiscal year 2004. The program is a competitive program among the districts to fund new and innovative projects. The \$250,000 for the program came from the loan interest-share program. Proposals from the districts are ranked by a review committee and then presented to the commission for approval.

On May 10, 2004, the committee met and reviewed the 25 proposals received from 23 different districts for a total of \$338,165.

The committee reported that 17 districts, approved for the current fiscal year, asked for funding over multiple years. Multiple year proposals can be for up to three years with the second and third years subject to demonstrated progress. The committee felt that all 17 districts showed good progress and that their projects should be funded for the second year for a total of \$115,712. The 17 projects reached the limit of 30 percent of the total budget for salary. Due to this restriction, the committee could not recommend any salary expenditures for the new proposals.

The committee recommended funding 18 of the 25 proposals received for a total of \$71,956. Some were not recommended because they did not have enough information about the project or they had unexplained items in the budget. Some of the proposals were mainly for salary and since the limit had already been met, they could not be recommended. Two

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proposals were not recommended because they were for a brochure on the renewal of the sales tax.

In response to a question about Clay County's proposal for \$10,000 for salary, Mr. Plassmeyer stated it was all for salary for an information/education person. They were going to use district funds to purchase materials to be used. Scott Totten asked about Ste. Genevieve's proposal for grazing system where the committee recommended more than was requested. Mr. Plassmeyer stated that the district was asking to buy some temporary fencing and watering supplies to make available to landowners to try for a month or two to see what is involved in a grazing system. Ste. Genevieve stated they may need one to four of these systems but the proposal was for one. The review committee decided to fund two complete systems, which made the amounts different.

Larry Furbeck made a motion to approve the committee's recommendation. John Aylward seconded the motion. When asked by the chair, John Aylward, Larry Furbeck, Leon Kreisler, Kirby VanAusdall, and Elizabeth Brown voted in favor of the motion, and the motion carried unanimously.

With \$62,331 left available to obligate to districts, the commission was asked if they would want to approve a second call with stipulations on how the money could be spent.

Kirby VanAusdall made a motion for a second call. Larry Furbeck seconded the motion. When asked by the chair, John Aylward, Larry Furbeck, Leon Kreisler, Kirby VanAusdall, and Elizabeth Brown voted in favor of the motion and the motion carried unanimously.

Mr. Plassmeyer informed the commission that there were some future planning issues that staff would like to discuss with them. One item was the limit on salaries. Because of the limit, multiple year projects that had already met the limit could not be recommended by the review committee. There was also concern about if multiple year projects were viable. The review committee did not know how much of the \$250,000 would be utilized in the first year, but that there was over \$28,000 not obligated last year due to these limitations.

When asked if salaries was a limiting factor for getting projects done, Dave Baker stated that one more year would be needed to see where salaries is an issue. He also stated that it would be very easy to use the

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whole \$250,000 on salaries and no educational supplies. He also stated that the role of partnerships, cost-share staff, and others that could be included, as educational assets need to be used. Judy Grundler stated the committee did not know how salaries would be affected in the carryover for three-year projects. She also stated there needed to be consistency in the criteria for salaries, so districts would know what to expect from year to year. When asked if the districts that submitted salary proposals may not do them, Mr. Plassmeyer stated it was possible. In response to a question about returned money, Mr. Plassmeyer stated it would go into the second call.

Ben Reed informed the commission that they had applied for the brochure through Livingston County. The idea of the brochure was to explain who and what a soil and water district is, so people off the street would better understand. The brochure would list accomplishments of what districts do and what they are about. He also stated that there would need to be wording included stating that districts get their funding through the soil tax. The brochure was not designed to just go out and solicit votes, because it is not appropriate to use tax money to promote a tax. Mr. Reed stated the review committee thought the proposal was a good idea, but that the commission should take the lead role in doing this brochure. When asked if the brochure would go statewide, Mr. Reed stated it would be statewide. Elizabeth Brown stated it would fall under information/education. According to Sarah Fast, the program has funding that could be used for an informational brochure out of regular program funding. Steve Oetting stated this proposal had been brought to MASWCD and their role in it was to contribute information. The association also thought the timing was right to get the information brochure out and they were in support of it. It was decided that more information would be gathered and brought back to the commission for their review.

2. Land Assistance Section

a. Cost-share

1. Monthly Cost-share Usage Report

Noland Farmer reported that districts had obligated \$21,200,000 of the \$23,800,000 in fiscal year 2003. This fiscal year the districts have obligated \$19,900,000 of the \$23,400,000 they were allocated. As of March 31st, \$10,500,000 was claimed compared to \$13,900,000 in fiscal year 2003 for the same time period.

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It was projected that only \$20,000,000 of the funds allocated would be claimed, because it is unlikely that the entire amount allocated to the districts would be claimed. This projection was based on trends of previous years.

As of April 30, 2004, \$11,700,000 in claims had been processed, which was \$2,800,000 short of the projection.

As of May 18, 2004, \$13,000,000 in claims had been received compared to \$16,000,000 last year. It was projected that by the end of May, \$17,000,000 in claims would be received. This amount is less than last fiscal year by \$2,500,000.

When asked about reasons for lower amount than the projection, Mr. Farmer stated weather could be a factor and other resource problems or shortages could be also be factors.

2. Allocation of the Fiscal Year 2005 Regular Cost-share Appropriation

Ron Redden presented a review of the fiscal year 2005 cost-share allocations. The House and Senate approved a budget of \$20,250,000 for regular cost-share. This amount is the same as fiscal year 2004 appropriations.

Half of the appropriation must be allocated evenly among the 114 districts. This is referred to as the geographic distribution and the portion distributed to each district is \$88,815. The other half of the appropriation is apportioned by the commission by considering the relative need for eligible practices according to the criteria developed by the commission. This half is referred to as the needs distribution of the cost-share appropriation.

Up until fiscal year 1999, the needs distribution portion was based on the percentage of highly erodible cropland in each district based on the Natural Resources Inventory (NRI) numbers from 1972. During the mid 1990s there was a large reserve available, which resulted in each district's needs being met. By fiscal year 1998, the reserve fund had been depleted and NRI numbers were not available on an individual county basis.

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In fiscal year 1999, the needs distribution was based on the percentage of the amount the district claimed during fiscal years 1995-1997.

Beginning in fiscal year 2005, funds not claimed the previous year would not be available as reappropriated funds. Unused funds will automatically go back in the fund. Previously, the reappropriated funds were given to districts that had claimed at least 80 percent of their previous year's total allocation.

By allocating the reappropriated funds, the commission made available between \$23,000,000 - \$25,000,000 each year for cost-share. It is only by having this amount available for the districts to obligate, that the \$20,250,000 is close to being claimed annually.

To have a greater opportunity to claim all of fiscal year 2005 appropriation, the commission will have to over-allocate funds to the districts. The estimated amount to be claimed in fiscal year 2005 is the full \$20,250,000.

In August the commission will be asked to consider approving additional funds to districts that claimed 80 percent of their fiscal year 2004 allocations.

It was the consensus of the commission to provided each district with the same initial allocation in fiscal year 2005 that they received in fiscal year 2004 so each district would again receive at least \$88,815 as they did in fiscal year 2004.

b. Special Area Land Treatment (SALT)

1. Practice Clarification for the Pest Management Practice

Ken Struempf presented a request for clarification on the pest management practice utilized in the SALT program.

The intent of the pest management practice is to reduce the amount of pesticides entering streams. This practice was first offered in 1997 as a pilot practice and now the majority of SALT projects offer the practice. In reviewing this practice, program staff found that certification of the practice covers many different types of pests seen in pasture and crop situations.

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Incentive practices are normally demonstration practices to educate landowners and operators to change management decisions on their farms. It is the responsibility of the operator to incur the costs. The incentives are based on a dollar per acre rate established by the board. The amount is not to exceed \$30 per acre per year, and not to exceed three years of payments with a limit of \$4,500 per year, per farm, per operator as set by the commission.

A pest management plan is required prior to the operator signing the initial cost-share application. NRCS standards and specifications are the guidelines for implementation of the practice. Mr. Struempf stated that the program was using these standards for the practice.

Mr. Struempf stated that the commission may wish to set more stringent requirements for the practice to meet the original intent. Any changes to the practice that the commission made would not go into effect until July 1, 2004. Any pest management applications approved prior to July 1, 2004, would be grandfathered in and paid, provided they met current policies and NRCS standards and specifications for the practice.

It was noted that a lot of districts were using the pest management practice to spray weeds in pastures. Many weed problems are due to overgrazing, poor fertility programs, or other management problems. Eliminating the cause of the problem, rather than treating the symptoms, should be the focus of weed management. The commission may wish to have a minimum management as a prerequisite.

Roger Hansen informed the commission that the program staff had been in limited contact with NRCS staff. He also stated the issue had come up that week but he could not respond to the questions. Dwaine Gelnar stated that program staff had conferred with staff from NRCS and, basically, they are in general agreement with the issues. Mr. Gelnar also stated that most of the issues were program issues not affected by NRCS. He also verified that NRCS has standards that are required to be met, but could also require management above the level required in the specifications. If the intent of the practice is to improve the plant community, then NRCS prescribes a minimum of three paddocks. In some cases where it would be for water quality or other purposes, NRCS does

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prescribe that they maintain certain grazing heights. Sarah Fast reiterated that if the commission would want to defer decisions, then that would be acceptable. Mr. Struempf stated that program staff could bring more information back on tabled issues.

Mr. Struempf presented several other issues to the commission for clarification.

Leon Kreisler made a motion to table the issues pending more information. Larry Furbeck seconded the motion.

Mr. Struempf asked the commission if they would want staff to put together a practice policy for them to look at prior to the next commission meeting. Mr. Struempf stated they had talked extensively with NRCS and the University Extension on the issues.

Brad Powell from Bates County commented on the issue of no chemical application and then fall tillage for planting of the next crop. This issue was from a pilot project. Mr. Powell stated that a check sheet was sent in for each field. This issue was from one field out of eight or nine fields that chemicals were not applied. Mr. Powell wanted to know if the application was going to be held up when everything else was done. He also informed the commission that he viewed it as a cultural practice. The landowner's main intent was to prepare the ground for the next year, but in so doing, he also may have controlled weeds that might have been coming up. He stated that they are in the last year of the project in Bates and if they cannot approve these types of claims, then they would not have time to complete the landowners' pest management plans. Mr. Struempf stated that in regards to those claims, program staff was comfortable with most of them, except for a few. Rather than cutting two checks, program staff held all the claims. He reiterated that incentives should be made available to landowners when new and different types of management occur.

Elizabeth Brown stated the commission would wait for more information and some proposals the program staff would bring to them. Ms. Fast stated that Mr. Struempf was asking for this specific issue to be addressed for the claims in question to allow him to make payment on the rest of the claims. When asked about a cultural practice, Mr. Struempf stated the only cultural practice was disking before planting the next crop. Roger Hansen asked if

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the current program met NRCS standards and specs. This would be in order to set criteria. Ms. Fast reiterated it did meet current NRCS standards and specifications. She also stated the program staff was uncomfortable, as these were pilot practices that are new to the program. In response to a question about it being normal operating costs that happen anyway, Mr. Struempf and Ms. Fast stated that this was the issue.

John Aylward made a motion deny the claims because the landowner failed to follow his pest management plan due to dry weather. Larry Furbeck seconded the motion. When asked by the chair, John Aylward, Larry Furbeck, Leon Kreisler, Kirby VanAusdall, and Elizabeth Brown voted in favor of the motion and the motion carried unanimously.

2. Approval of 6th Call SALT Proposals

Ken Struempf presented a request to approve 13 of the 26 AgNPS SALT proposals received in the sixth call. Mr. Struempf also requested direction from the commission if certain restrictions needed to be placed on tile terraces installed in watersheds recommended for funding.

The commission's original plan only included funding for 12 projects; however, the commission had enough funding to approve 13 projects due to the cancellation of the Stone SWCD's Spring Creek Project and because one of the current projects requested less than the \$750,000 limit.

In June 2003, an announcement was issued for the sixth call for applications. The program office received 28 preliminary applications in September 2003. In October 2003, program staff gave preliminary approval to the 28 districts for planning grants to assist them in developing a final plan. At that time, Buchanan and Clinton Counties withdrew from further consideration. Of the 26 final applications received in February 2004, 20 projects were selected for interviews in March 2004. In April 2004, the review committee ranked the remaining 20 projects. Also in April 2003, SALT staff relayed concerns on the applications to the districts offering them the opportunity to address the concerns.

The review committee was made up of several agencies and programs. The individuals selected for the review committee have

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a statewide perspective on the nonpoint pollution problems associated with production agriculture and have statewide responsibilities in their specialized areas. The individuals in the review group have expertise to analyze the problems in the watershed and, if the solutions are appropriate in solving the water quality concerns.

Of the 26 original proposals, 20 proposed were interviewed. After the interviews, each reviewer was given six high votes, seven medium votes, and seven low votes to cast. The ranking sheet provided the review committee with an amount for personnel, management, and cost-share incentives required for the projects. The 13 projects recommended were Miller, Barry, Chariton, Cooper, Hickory, DeKalb, Schuyler, Howard, Scotland, Taney, Polk, Moniteau, and Pettis. The projects ranged from five to seven years in length and from 26,616 to 89,495 acres. All but one project, Taney County, requested the full \$750,000. Taney only asked for \$396,821. Personnel costs varied from \$122,695 to \$248,389 for the projects. Most of the projects presented had substantial financial commitments from partners ranging from \$254,000 to \$880,00.

Mr. Struempf mentioned that eight of the districts with recommended proposals currently have an ongoing project or have already completed an AgNPS SALT grant. These eight have achieved or are on target to achieve their goals.

Eight of the projects are offering tile terraces and their watershed plan indicated sediment, nutrient, and pesticide concerns in their watershed. The committee visited with these districts about a buffer or a nutrient and pest management plan being promoted for these tile terraces. Without a buffer or nutrient and pest management plan, water-soluble chemicals could potentially get into streams and rivers. Even though tile terraces are extremely helpful in reducing sediment loss, they can contribute to pollution loads in respect to water-soluble chemicals. Natural Resource Conservation Service standards and specifications encourage buffers for tile terraces. When a buffer is not practical on the outlet, it was suggested that a nutrient and pest management plan could be used to reduce chemical loss.

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The districts that were installing tile terraces were asked how they plan to address the issue of chemical loading. Two districts indicated they would encourage nutrient and pest management plans where it was not feasible for a buffer. Two other districts stated they would require buffers and encourage nutrient and pest management plans. Another district would do buffers if possible and would require nutrient and pest management plans. Two other districts indicated that buffers would be done on approximately 80 percent of the systems installed. They also stated they would encourage nutrient and pest management plans on all tile terraces. One district would require both. Some of the concerns of the districts in requiring buffers or nutrient and pest management plans were the extra costs for personnel to write the plans, only putting tile terraces on part of the field, and not all fields meeting NRCS standards and specs because of different erosion needs. Another concern was that producers may be discouraged from installing terraces and not all landscapes are conducive to placing a buffer on the outlet end.

Ken Struempf told the commission that several districts who had submitted proposals were present including Cape Girardeau. Sarah Fast stated that Cape Girardeau County was present and wanted to address the commission on the alternatives presented.

Larry Furbeck made a motion to approve the 13 highest-ranking projects. John Aylward seconded the motion. When asked by the chair, John Aylward, Larry Furbeck, Leon Kreisler, Kirby VanAusdall, and Elizabeth Brown voted in favor of the motion and the motion carried unanimously.

Gerald Bryan from Cape Girardeau SWCD, stated the proposal they had before the board was the Byrd Creek AgNPS project SALT proposal. He pointed out to the commission that SALT proposals made by six counties in the Southeast Region of the state were rejected or ranked very low and four were not reviewed. He also stated that Cape Girardeau and Dunklin Counties had been through the process for the second time. They looked at the proposal comments and addressed the concerns and resubmitted them for the sixth call. He pointed out that there were only six projects in the Southeast Region. He voiced his concern that the money was not being uniformly distributed across the state as spending was mostly in two-thirds of the state, and none of the 13

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new projects were in the Southeast Region. The dollar amounts were \$26,600,000 in two-thirds of the state and \$4,900,000 in the other third, even though soil erosion is a statewide problem. He pointed out that the letter they wrote about bias in the review of the proposals was based on the number of points given to a project or the knowledge of the review committee. He voiced his concern about the composition of the committee. He was not sure they were familiar with issues of the region. When asked whom Mr. Bryan would put on the committee, he stated he did not know but he could find out. Judy Grundler went on record stating that the Missouri Department of Agriculture Pest Management Program, as was stated in the letter to Mr. Bryan, was not involved in the review process. Mr. Bryan interjected that he did not think the University of Missouri Information/Education Specialist was involved. Ms. Fast stated the person from Agriculture was Paul Andre. Ms. Grundler stated his correct title was Program Coordinator for Water Quality. Brad McCord from the Department of Conservation informed the commission that they had struggled with getting the right individual to review the comments. He suggested the commission or staff to formally ask each agency to identify the best person. Ms. Fast stated the 319 review process was established and a lot of the same individuals became part of the SALT review process. Elizabeth Brown stated the commission relies heavily on individuals with the expertise to review the SALT proposals. Mr. Bryan stated he has heard reports that two or three members on the committee rank a proposal high and several others have it ranked at the bottom. In his view, not everyone looked at these proposals the same. Larry Furbeck stated there needs to be criteria, and he hoped that Mr. Bryan had suggestions that the commission had not included. In response to a statement about two proposals being cut before reaching the review committee, Ms. Fast stated all 26 proposals were considered. Elizabeth Brown stated she did not believe the committee was guilty of being biased.

According to Mike Milam, Dunklin SWCD, seven of the top ten counties in the state in row crop production are located in the Bootheel area. The area has a lot of intensive production practices. During the interview, the questions they received about rice production indicated the review committee had no concept of growing rice. Mr. Milam indicated they would invite the review committee down to the Bootheel to look at the area and see what

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rice production is like and try to answer the committee's questions. Mr. Milam informed the commission that this was the first SALT project they had put together. He admitted in the first round they did not do a good job, because they did not know how to do it. They combined the information they received from NRCS and others into the final project, but they felt, based on comments, that the review committee did not have the expertise needed to address rice. When asked what the specific problem with rice was, Mr. Milam answered there was a lot of chemicals and fertilizers used in the production of rice, and water quality issues with the depth of the Elk Creek basin, and they were attempting to address these problems.

3. Practice Clarifications for the Nutrient Management Practice

Ken Struempf presented a request for clarification on the N590 Nutrient Management practice in the SALT program.

It was reported that the N590 Nutrient Management practice is an incentive practice approved for use in AgNPS SALT projects. It is designed to demonstrate how proper application of fertilizer can minimize the entry of nutrients into surface and groundwater.

Since incentive practices are typically demonstration practices to educate and improve management decisions made on the farm, the costs are incurred by the operator regardless of whether or not they sign up for cost-share. These incentives are based on a dollar per acre that is established by the board and cannot exceed \$20 per acre per year. The limit is \$3,000 per year, per farm, per operator. Incentive payments are authorized following one complete year of an established nutrient management plan. This period begins with the date of board approval on the application.

Mr. Struempf informed the commission that they require the nutrient management plan be written prior to the operator signing the initial cost-share application and they rely on NRCS standards and specifications as the guidelines for implementation of the practice.

Mr. Struempf asked the commission to clarify their policies for these types of practices and implement more stringent requirements, if needed, to ensure that the use of this practice meets the commission's intent. When asked how the commission

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wanted to approach these issues, the commission wanted time to consider it and get more information from staff. Sarah Fast stated Mr. Struempf would cover the issues, but that there were outstanding claims in the mean time. Mr. Struempf reviewed the requirement relating to soil tests. According to Kirby VanAusdall, soil tests in fields are not always the same. The weather and the moisture in the soil can affect them. According to Larry Furbeck, there are differences in the labs used. In regard to commercial N, P, and K; fertilizer suppliers have indicated they could mix most analysis within ten pounds of that recommended on the soil test. According to Mr. Struempf, landowners could do a better job of following the recommendations by applying the analysis that is recommended on each field, rather than picking the lowest N, P and K analysis and applying to all fields. Mr. Struempf indicated staff could address this in the policy descriptions.

Another issue Mr. Struempf raised was if the commission wanted to pay claims where little or no nutrients were applied, even though there were soil test recommendations calling for nutrients. The specific situation discussed was for a claim for a cool season grass. Due to dry weather, there was no fertilizer applied, so the operator incurred no cost for fertilizer and the practice varied from the nutrient management plan as the recommendations were not followed. There was no nutrient build up from the previous crop for the needs of the current crop.

Brad Powell, Bates County SWCD, stated that in this case, the individuals were in the practice of rotating their pastures. They had a number of pastures involved in nutrient management as well as a practice called pasture and hayland management, which is no longer available through SALT but it was through the Bates pilot SALT. According to Mr. Powell, fertilizers had been applied in the past on a rotation basis. The other issue he was concerned about was cropland situations due to precision agriculture and the cost of applying fertilizer and soil testing. He stated there was a conventional practice where they apply fertilizer for two years at a time saving the cost of application. He reaffirmed that on the application in question, the forage was very high quality. He indicated it was hard for him to adequately show the true history of the fields on the check sheets.

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In response to a question from the commission about payment, Mr. Powell stated as far as he was concerned the landowner had met all requirements for the Bates SALT project and this would be the third payment. He informed the commission that there would be follow up with the landowner for another two years for maintenance. Kirby VanAusdall asked how the commission could pay for a practice that was not completed. According to Mr. Powell the way they understood it, there was more to the practice than just fertilizer application. Their main goal was not to over-apply fertilizers and they never stressed the fact that the landowner was required to apply fertilizer, although, the landowner had applied fertilizer on certain fields. The issue for the commission was that the soil test called for fertilizer application and the landowner did not do it. According to Mr. Powell, some of the fertilizer recommendations are very prohibitive in some cases. Mr. Struempf clarified that on a corn/bean rotation if the landowner applies the phosphorus and potassium in the corn year and they do not apply any fertilizer in the bean year then those claims are approved. This rotation shows the landowner is able to utilize those nutrients banked in the soil.

John Aylward made a motion to deny claims where little or no nutrients were applied. Kirby VanAusdall seconded the motion. When asked by the chair, John Aylward, Larry Furbeck, Leon Kreisler, Kirby VanAusdall, and Elizabeth Brown voted in favor of the motion and the motion carried unanimously.

Mr. Struempf continued to inform the commission on other issues of concern, such as application of lime of 600 pounds or more, nitrogen and phosphorus applications, split incentive rates for fields with low to medium phosphorus levels and fields with high phosphorus levels, and nutrient management plans for the life of a soil test. These issues were tabled pending more information.

F. REQUESTS

1. District Assistance Section

a. Supervisor Appointments

1. Sullivan SWCD

John Forsyth presented a request from Sullivan SWCD to appoint Brad Ayers to fill the unexpired term of B. R. Richardson.

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Larry Furbeck made a motion to approve the request. Kirby VanAusdall seconded the motion. When asked by the chair, John Aylward, Larry Furbeck, Leon Kreisler, Kirby VanAusdall, and Elizabeth Brown voted in favor of the motion and the motion carried unanimously.

b. Linn SWCD – Matching Grant Eligible Expenses

Jim Plassmeyer presented a request from the Linn SWCD to use matching grants to pay for any administrative expenses from the administrative part of the District Assistance Funds. The intent of the matching grant program is to provide an incentive for districts to develop local sources of funding through a 1:1 matching grant to stimulate new and/or continued local funding for programs and activities.

Current policy states that only certain administrative expenses can be paid using matching grant funds. When the program was established, districts were to use 100 percent District Assistance Funds to pay for administrative expenses that were required by state statute. Those required by statute were supervisor election expenses and supervisor travel and training. Association dues were not to be paid with matching grant funds. The administrative funds are used for the operation of the district.

In a letter from the Linn County board, they asked the commission to consider allowing districts to use the matching grant program to pay for any of the same expenses that are paid out of the administrative fund. The letter also stated that if the matching grant were used for the expenses, then 50 percent would come from sales tax monies and 50 percent would come from local funds.

According to Elizabeth Brown the policy was set up for a reason. Mr. Plassmeyer stated that as the commission looked at it, those expenses stated in the statutes should come from the administrative fund. He also informed the commission that this issue had come up over the years as to why the matching grant fund could not be used for all administrative costs.

No action was taken on the issue so current policy remained in force.

2. Land Assistance Section

a. Cost-share

1. Ste. Genevieve SWCD – Cost-share on Berm Removal Completed but not Included on the Original Application

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Niki Aberle presented a request from the Ste. Genevieve SWCD to allow cost-share for berm removal when it was not approved in the original application for a sod waterway.

Commission policy states district boards can only cost-share on berm removal when it is included as a component of the DWP-3 Sod Waterway application.

In a letter dated March 19, 2004, the board chairman, stated that in 2003 a waterway was installed and they were not aware that the berm removal component was required on the original application. When the letter was received, Ron Redden informed the district clerk that since it was not on the original application, the commission would have to review it. Even though the board knew this, they approved the application for the berm removal and the work was done. The letter also stated that due to employee turnover, the berm removal was omitted.

The commission was reminded that the original waterway application documents the number of eligible unit quantities at the time the practice is constructed. Districts that choose to provide cost-share for berm removal are only eligible to include the number of feet of berm designed greater than one foot in height. When the berm is removed, the number of feet is limited to that originally approved at the time of construction.

The commission was informed that of the 20 previous waterway practices completed with state cost-share in this county, none were approved for berm removal. The reason for this could have been that none were greater than one foot in height.

No action was taken on the issue so current policy remained in force.

2. Boone SWCD – Add Risers to an Existing Terrace System

Joyce Luebbering presented a request from Boone SWCD to authorize cost-share on an existing terrace system.

The state cost-share policy states, “if the board of supervisors desires to approve cost-share assistance for installation of tile in an existing waterway or terrace, they must obtain approval from the commission. NRCS must certify that the existing waterway or

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terrace requires the addition of tile to preserve the life span of the practice, or that the tile is necessary to control erosion. The maintenance life span of the practice starts when the board approves the claim for the tile installation.”

In a letter from the board dated April 29, 2004, it stated that the terraces were installed in the fall of 1996 using Federal and SWCD cost-share. The letter also stated that the terraces are under the maintenance agreement, but the draw had become unstable and the outlet ends of the terrace were unraveling. It was noted that the landowner had made attempts to maintain the waterway. The letter also stated that the failure of the system was attributed to the steepness of the draw and surrounding land, the amount of water diverted from the terraces, and the type of soil. According to the district, the grassy draw is experiencing gully erosion of 31 tons. It was recommended by the NRCS technician to add approximately 2,900 feet of tile to the existing terraces, extend the terraces an additional 500 feet across the draw, and add a riser with three underground outlets. The total amount the landowner would be eligible to receive was no more than \$4,187.22 and the terrace system would have a new ten-year maintenance requirement.

When asked why the terrace system did not work, Roger Hansen stated that there could have been chemicals that was part of the problem, it could have been due to the steepness, or it could have been the fact that the soil was not very fertile. Instead of redoing another waterway, the landowner was just going to terrace the rest of the field, which the state engineer thought, was an appropriate technical solution.

John Aylward made a motion to approve the board’s request. Larry Furbeck seconded the motion. When asked by the chair, John Aylward, Larry Furbeck, Leon Kreisler, Kirby VanAusdall, and Elizabeth Brown voted in favor of the motion and the motion carried unanimously.

3. Dallas SWCD – Exceptions to the Commission Limit on DSP-3s for Three Landowners

Marcy Oerly presented a request from Dallas SWCD asking the commission to allow a variance to the policy to allow a landowner to exceed the \$60 per acre limit on the planned grazing system with a well practice (DSP-333).

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Commission policy states, "Well construction is limited to a maximum cost-share amount of \$3,500 per farm and/or landowner. This \$3,500 limit is exempted from the \$60 per acre maximum but still included in the \$9,000 practice maximum."

In a letter dated May 10, 2004 from the board, they explained that an administrative error was discovered in one of the DSP-333 claims while preparing it for payment. It was verified that two other DSP-333 applications had the same error of \$60 per acre limit not being applied to the applications. It was reported that the amounts could change pending the actual cost of the components and how much each landowner completed.

The landowner believed the amount on the application was the maximum amount he could be reimbursed. The total for the three claims did not exceed the \$9,000 limit.

The commission was reminded they had approved a similar request from St. Francois SWCD, but reduced the district's next fiscal year cost-share allocation by the amount of the district's error.

Larry Furbeck made a motion to approve the request but reduce the district's fiscal year 2005 cost-share allocation by the overage amount. Kirby VanAusdall seconded the motion. When asked by the chair, John Aylward, Larry Furbeck, Leon Kreisler, Kirby VanAusdall, and Elizabeth Brown voted in favor of the motion and the motion carried unanimously.

4. Clay SWCD – Payment When All Invoices of Required Components Have not Been Paid

Ron Redden presented a request from Clay SWCD for payment to a landowner that had not paid all the invoices on components used on a grass practice.

Commission rule states, "All authorized items or costs for which the landowner desires cost-sharing assistance shall be supported by receipts of payments from the vendor(s)."

Mr. Redden informed the commission this was the first time a request like it had been presented to them.

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In July 2002, the landowner applied for a DSL-1 Permanent Vegetative Seeding Practice for a 67-acre field and the practice was completed in the fall of that year. The landowner did not claim payment for the practice since he could not provide paid invoices for the materials. The district carried the application over to fiscal year 2003 and again in fiscal year 2004.

In January 2004, the landowner paid the bill for the seedbed preparation in cash and his receipt reflected his payment of \$1,450. It was estimated that his other bills for the practice amount to approximately \$2,800. This amount was based on the application that was approved in 2002. It was noted the landowner was interested in forfeiting his chances for cost-share assistance for the seed, nutrients, and lime if he could be reimbursed for the costs he had already paid.

According to Mr. Redden, a landowner has never been permitted to not pay a bill simply by choosing to withdraw it from consideration for cost-share.

In talking with Harry Bozoian, he thought the landowner might feel he was not obligated to the maintenance requirements if he did not receive cost-share on the grass, lime, and nutrients. According to Mr. Bozoian, the landowner would still be required to maintain the practice for the five years.

Another concern was the possibility of setting a precedent if the landowner was allowed to receive cost-share when some of the vendors who had provided required components had not been paid. When the cost-share program was started, it was recognized that vendors and contractors needed to be assured of payment when providing a service or materials for a practice. Because of this, vendors and contractors are assured they will be paid before the landowner ever gets paid.

Mr. Redden informed the commission they do get requests periodically for a landowner's check to be mailed to his or her bank or other lending institution. This is generally because the landowner obtained a loan to pay the vendors with the understanding that the cost-share check would be applied to the loan.

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When asked if the \$1,450 was paid in full, Mr. Redden confirmed that it was and it was for the seedbed preparation. Mr. Bozoian asked if the district had talked to the landowner to see if payment was made that it would go to pay the other vendors. According to Mr. Redden, he had not been able to talk to the district and did not know if the district would have any input on where the landowner spent the money. Mr. Bozoian stated he agreed with Mr. Redden; the commission bargained for a practice on the land and that cost-share would occur. The other way was that the practice was on the land, one vendor had been paid, and two vendors that were not, and this would be a private matter between the landowner and the vendors. Mr. Bozoian suggested going back to the board and inform them that cost-share would be considered if they could get an agreement from the landowner that cost-share funds would be used to pay the other vendors.

Larry Furbeck made a motion to deny the request, but suggest to the board that the landowner explore other options.

Mr. Redden asked if the commission meant they wanted to consider a second payment. Larry Furbeck stated nothing should be done. He also stated the commission did not need to get in the middle of the situation between the landowner and the vendors. Mr. Bozoian informed the commission that if the request was denied, there possibly would be no cost-share practice, no maintenance requirements. When asked what a normal extension was, Mr. Redden stated some districts only extend for 30 days, but the board could extend for any period of time. According to Mr. Redden the board had given the landowner a one-year extension twice.

Larry Furbeck again moved to deny the request, but suggest to the board that the landowner explore other options. Kirby VanAusdall seconded the motion. When asked by the chair, John Aylward, Larry Furbeck, Leon Kreisler, Kirby VanAusdall, and Elizabeth Brown voted in favor of the motion and the motion carried unanimously.

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b. Special Area Land Treatment (SALT)

1. Benton SWCD – Increase Personnel Budget for Deer Creek AgNPS SALT

Gina Luebbering presented a request from Benton County SWCD to increase the personnel budget for the Deer Creek AgNPS SALT Project.

In a letter from Benton County, they indicated the need for an increase in personnel expenses for the district clerk, who assists the SALT project with information/education activities. The letter also stated the Benton County Commission was a strong partner with Benton County SWCD and had provided a large portion of local funds, which had been a major source of funding for the district clerk's salary. Due to budget cuts, the Benton County Commission had to reduce the funding for the district clerk's salary. The district used information/education funds to increase the personnel funds. There was an increase of \$13,500 in personnel and a decrease for the same amount in management. This increase made the personnel total \$223,286, which is less than the commission limit of \$248,710.

According to program staff, Benton County had completed 50 percent of their information/education goals. Of the 71 projected goals, 35 were completed as of February 2004. Some of the other goals were nutrient and pest management with zero completed, riparian protection with three acres complete, streambank stabilization, woodland management, erosion-diversion, and erosion-seedings/waterways all with zero complete.

Ms. Luebbering informed the commission that after reviewing the district's goals, it was noticed there were some concerns in regard to the goals and if they could be met. Benton County's Semi-Annual Progress Report had their goals broken down into ten different categories. Ms. Luebbering also informed the commission that program staff had discussed with the district the possibility of revising their goals. However, the district did not feel that is was an issue.

Ms. Luebbering reminded the commission that there were two districts that had not met their goals and staff worked with them to lower their goals.

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Tina Hovendick, District Manager of Benton County, stated that she works strongly with the district on the budget. She stated that in the past this was not an issue, because of the funds from the county commission for the district clerk's salary. When the budget was completed for the SALT project the county was conservative, because the other employees had their salaries and expenses covered from other grants and funds. When the funds were cut from the county commission, the district looked at the SALT budget for the district clerk that works with the SALT project.

Sarah Fast stated there were two issues; one was the goals for the project and the other was the personnel cost. According to Ms. Fast, the district was not in Management Strategy yet, so the district did not have to change their goals. Ms. Hovendick stated that their board was aware of where they were at with their goals, and the board hopes that things would turn around. She also stated they felt they needed some time since they were not at the point of Management Strategy. She reiterated that they needed the budget request. When asked about the budget issue being needed right away, Ms. Hovendick stated yes.

John Aylward made a motion to approve the budget request. Larry Furbeck seconded the motion. When asked by the chair, John Aylward, Larry Furbeck, Leon Kreisler, Kirby VanAusdall, and Elizabeth Brown voted in favor of the motion and the motion carried unanimously.

2. Dallas and Polk SWCD – Request for Incentive Practice for Stockpiling Fescue

Davin Althoff presented a request from Dallas and Polk SWCDs to add a new practice to the SALT Cost Share Practice List for the Bear Creek and Lindley Creek AgNPS SALT projects. The proposed practice is termed N633m, Waste Utilization with Fescue Stockpiling and Stripgrazing.

The commission was given a copy of a letter dated March 8, 2004 from the Dallas and Polk SWCD's with information regarding the request and the proposed practice specification and numerous visuals.

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In the March 8, 2004 letter, it stated concerns that hay feeding causes livestock to concentrate in small areas and as a result, waste accumulation in the area of livestock concentration is very high and may lead to nutrient buildup, and could destroy vegetation, which could result in sediment loss. These concerns pose a potential threat to water quality. Due to these concerns, Polk and Dallas SWCDs proposed a new practice that would demonstrate the benefits of stripgrazing pastures through the winter months. The objective of stripgrazing through the winter months would result in better manure distribution throughout the field rather than waste accumulation in concentrated areas.

The proposed practice would require the landowner to apply the correct amount of lime, phosphorus and potassium, based on a current soil test and nutrient management plan. The producer would also be required to apply 30 to 60 pounds of nitrogen between August 15 and September 15 on the fields to be stripgrazed. The fields would also be required to score a minimum of "good" on the Agron 24 form, with a plant density for fescue of at least 50 percent. Grazing would not be permitted on the pasture following nitrogen application so as to allow for forage stockpiling. Grazing of the acres would be completed between December 1 and April 1 with a minimum height of 3 inches. Cattle would begin to graze at the closest water source and every one to three days, the temporary fence would be moved back. The maximum stockpile acreage eligible for payment would be one acre per animal unit. The districts proposed a "one time" incentive payment of \$25/acre up to 100 acres for completing the practice. The proposed name was Waste Utilization with Fescue Stockpiling and Stripgrazing. The practice would require a complete nutrient management plan to be written on the field that would be grazed. It was proposed that the practice code would be N633m which is the NRCS code in the Field Office Technical Guide for waste utilization.

According to the district conservationist, NRCS does not have a technical standard and specification for stripgrazing and stockpiled fescue in their Field Office Technical Guide, but eligible practices that are offered through the regular Cost-Share and SALT Programs have a standard and specification in the NRCS Field Office Technical Guide. It was noted that stripgrazing was similar

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to a planned grazing system, which is an eligible practice already offered through the regular Cost-share and SALT programs. For stripgrazing to work effectively, a minimum planned grazing system must already be established. According to Dr. Craig Roberts, an Agronomist for the University of Missouri with emphasis in forages, stripgrazing promotes better manure distribution. Dr. Roberts, also indicated that stripgrazing provides producers a more economic advantage due to grazing efficiency and feed allocation, with the benefit to water quality second. Dr. Roberts went on to mention there was no data available to prove that stockpiling fescue and stripgrazing have a positive benefit to water quality.

It was noted that the proposed practice was very similar to the N590 Nutrient Management practice currently eligible through the SALT program. The commission had been informed of several concerns regarding the nutrient management practices. Mr. Althoff stated that staff was apprehensive to offer another incentive for a demonstration practice similar to the nutrient management practices. Program staff was also concerned that the proposed practice did not have specific data to prove a benefit to water quality nor did the practice have a technical standard and specification in the NRCS Field Office Technical Guide. Program staff also indicated that if there were a lack of precipitation in the fall, after nitrogen was applied, it would result in minimal forage available to stripgraze through the winter months.

If approved, Dallas and Polk SWCDs projected to complete 520 acres of the proposed practice. Since the proposed practice is similar to the Nutrient Management and Pasture Management goals set forth in the Bear Creek and Lindley Creek SALT projects, staff felt the need to share the progress of these goals with the commission. It was reported that Lindley Creek SALT Project was 19 percent complete for the Nutrient Management goal and 4.6 percent complete for the Pasture Management goal. The Bear Creek SALT Project, reported 28.5 percent complete for the Nutrient Management goal and 18.6 percent complete for the Pasture Management goal. Both SALT projects have four years remaining at the end of the fiscal year. Due to the current percent completed for the above goals, staff was concerned that adding another goal may apply undesirable pressure on the districts to

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achieve their original goals because of the remaining time. Mr. Althoff stated that if the commission denied the request, Dallas and Polk district boards might take it upon themselves to offer producers, who implement merely the N590 Nutrient Management practice, a lesser incentive than producers who implement the N590 Nutrient Management practice and stockpile their forage for stripgrazing. Program staff was fine with this as long as the district did not exceed the commission limit for the N590 Nutrient Management.

Richard McConnell from Polk County SWCD stated the current practice of feeding hay next to the creek was something that everyone wanted to do. The district thought that by using the stripgrazing technique for manure distribution and moving the cattle away from the creek it would improve water quality. When asked about competing systems on reaching their goals, Mr. McConnell stated that he did not see it as a problem, they were moving ahead and they were not having any problems with progress. He stated there was enough interest by landowners that he felt they could make it work. His concern was about how they would implement it. He informed the commission that it was a Dallas SWCD and NRCS idea. When asked about proper training, Mr. McConnell stated it would be one on one. They would go out with the landowner and show him or her how to implement stockpiling and stripgrazing. When asked if there was a limit on the number of demonstrations for the project, according to Mr. McConnell they were hoping to do 100 acres per year to start, and was limited per landowner but not limited overall. When asked about how the three-inch grazing height would be maintained, Mr. McConnell stated he hoped it would be by common sense. He indicated that he stripgrazes and he has had no problems maintaining the height. Leon Kreisler stated he saw it as a problem and did not think it could be done. When asked if the practice was just for this SALT, Mr. McConnell stated it would be for Bear Creek and Lindley Creek. Sarah Fast informed the commission it was just for them to try in those two watersheds.

Leon Kreisler made a motion to approve the board's request to add the N633m Waste Utilization with Fescue Stockpiling and Stripgrazing as an eligible SALT practice for Polk SWCD Bear Creek SALT project and Dallas SWCD Lindley Creek SALT

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project with the removal of the minimum three-inch grazing height. John Aylward seconded the motion.

Larry Furbeck asked Roger Hansen when specifications would be available, and Mr. Hansen stated they have a prescribed grazing specification and he asked Dwaine Gelnar to address what the specifications covered. Dwaine Gelnar stated that on the prescribed grazing, standards used for most of the practices are intended for the improvement of the plant community. They do require a minimum of three or four paddocks depending on the type of vegetation. They do have some considerations based on grazing heights. He also stated there were plans underway because of the feeding situations next to streams. When asked if the evaluation of stripgrazing could be done quickly, Mr. Gelnar stated it could be. He also stated that according to what he had heard at the meeting, it was indicated it would be an environmental benefit to move the feeding area away from the creek.

When asked by the chair for the motion on the floor, John Aylward, Larry Furbeck, Leon Kreisler, Kirby VanAusdall, and Elizabeth Brown voted in favor of the motion and the motion carried unanimously.

Sarah Fast stated for clarification, that when the practice was received and taken to the university, the university did not look at it from the perspective of the feeding next to a creek, they were just looking at it from the perspective of the stockpile. She stated that according to the discussion on the practice, it would be appropriate to add moving the feeding away from creeks to the practice. She also stated the question taken to the university was a different question, because the university was not aware that feeding was next to a stream. She asked that in the use of the practice, if it would be assumed the districts would use it only to take feeding away from the creeks. The commission stated that was not what the policy indicated.

3. Stone SWCD - Request a Variance for the Seven Core Months of the N595 Pest Management

Davin Althoff presented a request from the Stone SWCD to allow a variance of the seven core months required for the N595 Pest Management practice for one cost-share application.

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Current policy requires that the N595 Pest Management applications must be approved by the district board prior to April 1 and cannot be approved for a claim prior to October 31 to allow a full growing season.

On June 4, 2002, a memorandum was sent to the districts regarding a new policy, which required district boards to approve applications for the N595 practice before April 1. The policy went in to effect on June 10, 2002. It was created as a result of poor pest management planning procedures in the districts. Staff contacted the NRCS Pest Management Specialist for guidance for the districts to follow when providing cost-share for the pest management practice.

Policy states, "Incentive payments are authorized following one complete season of an established pest management plan. This period begins with the board approval of the application and continues through the growing season. For the purpose of cost-share, the growing season must include a minimum of seven core months, beginning April 1 and continuing through October 31."

A pest management practice is an incentive for operators to follow a plan for the entire growing season and not for a one-time application of pesticide. An approved pest management plan requires planning, pre-application scouting, application of chemicals, and post-application scouting to determine the effectiveness of the application. The deadline was implemented to assure that an operator had an approved plan prior to crop planting or chemical application.

In the letter it stated the districts had an operator in the watershed with a complete pest management plan ready to start the practice. Staff reviewed the NRCS approved pest management plan that was designed to be implemented on 54.4 acres of fescue and legume pasture with targeted pests. The plan mentioned that chemical applications should be applied around May 15 for best control of the targeted pest, but the operator had not applied chemicals. Due to a misunderstanding, the district failed to get the plan developed prior to the April 1 deadline.

Mr. Althoff informed the commission that a similar request was heard in May of 2003, and the commission approved that request.

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In the past, other districts have missed the April 1 deadline and elected to wait and develop a pest management plan to be followed for the next year. Mr. Althoff stated that if the commission would approve Stone SWCD's request for a variance, the action may create a precedent for other districts in the future that do not get a pest management plan developed prior to the April 1 deadline. However, if the commission denied the request, the operator would be eligible to apply for the N595 practice over the next three years. It was also noted that the Crane Creek SALT Project had five years remaining after the end of the current fiscal year.

When asked why the commission should change what they have been doing, Sarah Fast stated that the commission had approved a variance before. Mr. Althoff stated it was at the commission meeting last May. Larry Furbeck stated they had approved one before, and the landowner was ready to get started.

Larry Furbeck made a motion to approve the board's request. John Aylward seconded the motion.

When asked how far past the April 1 deadline the one was last year, Mr. Althoff stated it was after April 16, 2003. Ken Struempfhof stated it was a little different situation before because it was in a crop situation and this one was for a pasture.

A poll vote was taken. John Aylward, Larry Furbeck, and Leon Kreisler voted in favor of the motion and Kirby VanAusdall, and Elizabeth Brown voted against the motion. The motion carried with three votes in favor and two opposed.

G. NRCS REPORT

Roger Hansen updated the commission on the request for the NRI numbers. He stated the information would not be available until the end of June. He also stated he expected to have information on the trends for the erosion rates for the next commission meeting. The information would cover 20 years of trends, going back to 1982, showing every five years the trends for erosion. The information available would be prior to the state tax and it would show the impact of the soil erosion rates through that timeframe. The information would be for Missouri as a whole, not by county or region.

In regard to the conservation security program, it is a new program that is on line with USDA. He stated that 18 watersheds had been selected in the country to sign up for the

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CSP program, the one Missouri had was the Little River ditch watershed in the Bootheel. It involved parts of Cape Girardeau, Scott, Stoddard, New Madrid, Dunklin, Pemiscot, and a couple counties in Arkansas. There will be a sign up for the program in the summer. That program provides three different tiers of incentive payments for high-level conservation practices that farms do, it does not reward those that have resource problems. This would be for the top 5 percent of the producers that do a very good job of conservation.

In EQIP they allocated most of the funds for the current year. The total was \$18,000,000 for EQIP, and approximately \$17,000,000 of that had been allocated to the counties. The target for each county was \$132,000. He also stated there were four counties (Lincoln, Pulaski, St. Louis, and Crawford) that did not have any EQIP applications.

H. MASWCD REPORT

Steve Oetting announced that July 11 – 14 the North Central Regional Meeting would take place in Springfield, Illinois. He also announced the dates for the area meetings. They will take place the week of August 16 and August 23. The meetings will be held in eight areas. Some of the areas scheduled for elections of area directors are areas 2, 4, 6, and 8.

I. LEGISLATIVE REPORT

Bill Wilson updated the commission on several bills. A hearing was held April 29, 2004 for Senate Joint Resolution 49 in the Senate Agriculture, Conservation, Parks and Tourism Committee. A substitute to this resolution was introduced by Senator David Klindt at the beginning of the hearing that would allow a vote to occur two years prior to the tax expiring. Commissioner Philip Luebbering testified for the commission in support of the resolution. Several individuals representing various groups, i.e. Sierra Club, Missouri Farm Bureau, Parks and Recreation Association, Coalition for the Environment, Missouri Association of Soil and Water Conservation Districts, Missouri Soil and Water Districts Employee Association, and the Missouri Department of Natural Resources testified in favor of the substitute Senate Joint Resolution. No one testified in opposition to the resolution. House Bills 1006 and 1021 both are appropriation bills that passed and were sent to the Governor. House Bill 1177 passed which addressed changes in state statutes regarding confined animal feeding operations. This bill also contains legislation that involves the soil and water districts. According to Scott Totten, the local soil and water conservation board would have 180 days to review and make a recommendation on those local county ordinances that are more restrictive than state or federal confined animal feeding operation regulations. House Bill 980 passed which requires a regulatory impact report for the rule making process. House Bill 1126 also passed which contained language changing the procedure for the attachment of certain

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watershed districts that involve PL-566 watershed projects. In addition, House Bill 1433 passed which proposed setting up a special watershed district on the Upper White River. This bill also contained the language changing the procedure for the attachment of certain watershed districts.

J. STAFF REPORT

Bill Wilson handed out a list of dates and places for the area meetings that will begin on August 16 and conclude on August 26. The Soil and Water Districts Commission's Planning Advisory Committee will work on the agenda for the meetings. The area meetings will look at the priorities of the districts and regional priorities. The area meeting will start at 9:30 and go to 3:00. The first hour will be the business part of the meeting and the rest of the day would be for working with the districts to develop regional priorities.

Mr. Wilson informed the commission that in the *Missouri Resource* magazine was an article from Dean Martin regarding being a soil scientist. The article highlighted Timothy Knoernschild and his responsibilities as a soil scientist working with the local soil and water conservation districts, Natural Resource Conservation Service, and landowners.

Mr. Wilson gave an update on the State Envirothon that was completed on May 6, 2004, at the University of Missouri, South Farm. There were 19 teams that competed, and the winner was from St. Charles West High School with a score of 486.9 points out of 600. The second place team was Little Creek Nature Area out of Ferguson with 432 points, and third place went to Chilhowee High School with 419.5 points.

Sarah Fast informed the commission that they had a copy of the Bob Miller's retirement letter and a letter from Roger Mitchell regarding the Centennial Agronomy (Soils) Celebration on June 26. Ms. Fast asked that if commissioners wanted to attend to let the program office know.

In regard to the Citizen Committee, Ms. Fast stated the last two times the sales tax was renewed, the committee had supported the renewal. Ms. Fast informed the commission that the Citizen's Committee had reformed partially due to the Klindt bill. The committee plans to meet in July and they will look at the State Park side at the meeting. The committee is made up of return partners such as Farm Bureau, Conservation Federation, State Parks Association, and Audubon. The committee's target was to have the vote on the ballot by the fall of 2006.

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K. DATE OF NEXT MEETINGS

The date of the next commission meeting was set for Wednesday, July 21, 2004, beginning at 8:00 a.m. at the Department of Natural Resource Conference Center in the Bennett Spring/Roaring River room in Jefferson City, Missouri. The September meeting was tentatively scheduled for Thursday, September 2, 2004, in Jefferson City, Missouri.

L. ADJOURNMENT

Kirby VanAusdall moved the meeting be adjourned. Leon Kreisler seconded the motion. Motion approved by consensus at 2:41 p.m.

Respectfully submitted,

Sarah E. Fast, Director
Soil and Water Conservation Program

Approved by:

Elizabeth Brown, Chairman
Missouri Soil & Water Districts Commission

/tm